

Tori's Statement of Financial Position

	Total Points Earned
26	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Current: If she purchased a
new car:

Statement of Financial Position for:			
Date:			
Assets			
<i>Monetary assets</i>			
Cash on hand			
Value of checking account			
Value of savings account			
Other:			
<i>Subtotal of monetary assets</i>	\$		
<i>Tangible Assets</i>			
Market value of home			
Market value of household furnishings			
Market value of automobile			
Market value of electronics			
Market value of clothing			
Market value of jewelry			
Market value of sporting goods			
Other:			
<i>Subtotal of tangible assets</i>	\$		
<i>Investment Assets</i>			
Value of investments			
Other:			
<i>Subtotal of investment assets</i>	\$		
Total Assets	\$		
Liabilities			
Home mortgage balance			
Installment loan balance for automobile			
Student loan balance			
Personal loan balance			
Credit card balance			
Money owed to others			
Other:			
Total Liabilities	\$		
Net Worth = Total Assets - Total Liabilities	\$		

Step One:

Tori is considering purchasing a new pre-owned car. In order to help make a decision she would like to know her net worth. Use the information provided in the table below to create a Statement of Financial Position for Tori. (10 points for completion)

Tori is 21 years old	Completing training to be a radiology technician and has one semester left
Works part-time to earn \$13,000 per year	Owes \$5,000 in student loans that helped pay for her training
Owens a car that runs fine but would like an upgrade	Used a website to determine the market value of her current car is \$3000
Has \$1,000 in her checking account	Keeps \$20 in cash in her wallet at all times
Keeps \$2,000 in her savings account for emergencies	Rents a one bedroom apartment and owns \$1,000 worth of furniture and other household supplies
Bought a laptop computer when she started school but estimates that it is only worth \$200	Loves to shop and estimates that she owns \$1,500 worth of clothes and shoes
Invests \$20 per month into a retirement account that is currently worth \$500	

Step Two:

Tori would like to trade in her car for a new pre-owned car priced at \$8,000 (including the deduction for the value of her current car). She will use \$1,000 from her emergency savings and apply for a loan for the remaining \$7,000. Create a new Statement of Financial Position for Tori if she were to purchase the new car. (10 points for completion)

Step Three:

Use Tori's Statements of Financial Position to answer the questions below.

1. What is Tori's current net worth? (1 point)
2. What would her net worth be if she purchased the new car today? (1 point)
3. Based upon Tori's Statements of Financial Position, would you recommend that she purchase the new car? Why or why not? Make sure to consider what trade-offs she will have to make with both options. (2 points)
4. How could Tori increase her current net worth? (1 point)
5. Tori has chosen to use student loans to help her pay for training to become a radiology technician. This has lowered her current net worth, but what affect may it have on her future net worth? (1 point)